

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4132-02
Bill No.: HB 1891
Subject: Taxation and Revenue - Local Sales and Use Tax
Type: Original
Date: April 15, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** and the **Office of the State Treasurer** indicated that the proposal would not affect their offices, administratively.

Oversight notes that the proposal would limit the amount of additional local option sales taxes which could be imposed. This might mean local governments might have to forgo additional income in the future and the state might forgo some one-percent collection fee monies. However, no existing taxes would be affected.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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GENERAL REVENUE FUND

<u>Loss</u> - Department of Revenue Reduced Collection Fees	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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POLITICAL SUBDIVISIONS

<u>Loss</u> - Reduced Sales Tax Collections	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>
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FISCAL IMPACT - Small Business

Small businesses might have to pay and collect less sales taxes as a result of this proposal.

DESCRIPTION

This proposal would limit the amounts of additional local option sales for certain taxes, after August 28, 2002. If a local government adopted a tax rate above what the proposal allowed, the Department of Revenue would reduce the rate to the maximum rate allowable.

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation could affect Total State Revenue.

SOURCES OF INFORMATION

Department of Revenue
Office of the State Treasurer

Not Responding: St. Louis City; St. Louis County; Buchanan County



Mickey Wilson, CPA
Acting Director
April 15, 2002